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NORTHERN DISTRICT OF CALIFORNIA

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MMC

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

LINGUALINX LANGUAGE
SOLUTIONS, INC. a New York
Corporation,

Plaintiff,

v.

ADRIENNE PARDINI, an
individual, and LOQMAN
TRANSLATIONS, a division of
LOQMAN COMMUNICATIONS
GROUP, LLC,

Defendants.

CV 07

5575

VERIFIED COMPLAINT FOR:
INJUNCTIVE RELIEF, BREACH OF
CONTRACT; MISAPPROPRIATION
OF TRADE SECRETS (CAL. CIV.
CODE §3426 ET SEQ.); BREACH OF
DUTY OF LOYALTY AND
FIDUCIARY DUTY; UNFAIR
COMPETITION (BUS. & PROF.
CODE § 17200); INTERFERENCE
WITH CONTRACTUAL RELATIONS;
INTERFERENCE WITH ACTUAL/
PROSPECTIVE BUSINESS
RELATIONS; CONSPIRACY; and
CONVERSION

DEMAND FOR JURY TRIAL

VERIFIED COMPLAINT

LinguaLinx Language Solutions, Inc. ("LinguaLinx" or "Plaintiff"),
hereby brings the following Verified Complaint, pursuant to Rule 65 of the Federal

1 Rules of Civil Procedure, for injunctive and other relief against Defendants Adrienne
2 Pardini and Loqman Translations, a division Loqman Communications Group, LLC
3 (“LCG”) (collectively referred to as “Defendants”) for: (i) Breach Of Contract; (ii)
4 Misappropriation Of Trade Secrets (Cal. Civ. Code §3426 Et Seq.); (iii) Breach Of
5 Duty Of Loyalty And Fiduciary Duty; Unfair Competition (Bus. & Prof. Code §
6 17200); (iv) Interference With Contractual Relations; (vi) Interference With Actual/
7 Prospective Business Relations; (vi) Conspiracy; and (vii) Conversion, and in
8 support thereof, avers as follows:

9 I. JURISDICTION

10 1. This Court has jurisdiction over this matter pursuant to 28 U.S.C.
11 § 1332, in that it is a civil action between citizens of different states in which the
12 amount in controversy exceeds \$75,000, exclusive of interest and costs. LinguaLinx
13 is a New York Corporation with a principal place of business in New York.
14 Defendants, on information and belief, are each citizens, domiciliaries and residents
15 of the State of California.

16 II. THE PARTIES

17 2. Plaintiff LinguaLinx is a corporation organized and incorporated
18 in the State of New York, with its principal place of business at 650 Franklin Street,
19 Schenectady, New York, and transacting business in this judicial district at 22
20 Battery Street, Suite 610, San Francisco, California. LinguaLinx is a corporate
21 citizen of the State of New York.

22 3. Plaintiff is informed and believes, and on that basis avers, that
23 Defendant LCG, is and at all times referenced herein was, a California limited
24 liability company with its principal place of business located at 5732 San Jose
25 Avenue, Richmond, California 94804.

26 4. Defendant Adrienne Pardini (“Pardini”) is former employee of
27 LinguaLinx. She was employed by LinguaLinx from October 16, 2006, through
28

1 October 15, 2007. Pardini is a citizen and domiciliary of California last known to
2 reside at 4701 San Leandro Street, Oakland, California 94601.

3 4 **III. VENUE**

5 5. Venue of this action lies in the United States District Court for
6 the Northern District of California pursuant to 28 U.S.C. § 1391(a)(2), in that the
7 events, acts and/or omissions giving rise to the claims set forth herein occurred in the
8 Northern District of California.

9 6. Venue also lies in the Northern District of California pursuant to
10 28 U.S.C. § 1391(a)(1), in that defendant LCG is doing business in this judicial
11 district, and Pardini resides in and is doing business in this judicial district.

12 **IV. THE FACTS COMMON TO ALL CLAIMS**

13 7. LinguaLinX is engaged in the business of, among other things,
14 providing full-service translation services to today's leading corporations, law firms,
15 non-profit organizations and government agencies (hereinafter, "LinguaLinX
16 Products and Services"). LinguaLinX has a worldwide network of clients, which is
17 serviced through its primary office located in Schenectady, New York, and its
18 branch offices in New York City and San Francisco, California.

19 8. Defendant LCG is engaged in the business of, among other
20 things, providing translations services. As such, LCG is a competitor of LinguaLinX
21 and LinguaLinX has a substantial interest in making sure that LCG does not possess
22 its confidential trade secret and proprietary information.

23 9. LinguaLinX hired Pardini on October 16, 2006, as a Vendor
24 Manager. As a Vendor Manager, Pardini worked primarily in the main office
25 located in Schenectady, New York and had as her primary duty to secure vendor
26 relationships for LinguaLinX. At some time in early 2007, Pardini was transferred to
27 the sales department of LinguaLinX where, as part of her duties, Pardini was
28 responsible for soliciting and receiving orders and securing clients for, *inter alia*,

1 LinguaLinux's translation services from customers seeking the company's translation
2 services.

3 10. As part of her employment with LinguaLinux, Pardini had access
4 to certain proprietary and confidential information of LinguaLinux, including trade
5 secrets, business model, client lists, marketing plan and sales strategies.

6 11. On January 10, 2007, Pardini and LinguaLinux entered into a
7 Confidentiality and Non-Compete Agreement (the "Confidentiality Agreement"). In
8 relevant part, the Confidentiality Agreement (Exhibit "A" hereto) provides, as
9 follows:

10 2. Proprietary Information.

11 (a) Employee agrees, at all times during the term
12 of the Relationship with Employer and thereafter, to
13 hold in strictest confidence, and not to use, except for
14 the benefit of Employer to the extent necessary to
15 perform Employee's obligations to Employer under the
16 Relationship, or to disclose to any person, firm,
17 corporation or other entity, without written
18 authorization of Employer, any Proprietary Information,
19 as hereinafter defined, of Employer which Employee
20 obtains or creates. Employee further agrees not to make
21 copies of such Proprietary Information except as
22 authorized by Employer. Employee understands that
23 "Proprietary Information" means any Employer
24 proprietary information, technical data, trade secrets or
25 know-how, including, but not limited to, research,
26 practice plans, products, services, suppliers, client lists
27 and clients in whatever form and format (including, bill
28 not limited to, clients of Employer on whom Employee

1 called or with whom Employee became acquainted
2 during the Relationship), prices and costs, markets,
3 software, developments, inventions, notebooks,
4 processes, formulas, designs, marketing information,
5 finances, budgets or other business information
6 disclosed to Employee by Employer either directly or
7 indirectly in writing, orally or by drawings or
8 observation of parts or equipment or created by
9 Employee during the period of the Relationship,
10 whether or not during working hours. Employee
11 understands that "Proprietary Information" includes, but
12 is not limited to, information pertaining to any aspects
13 of the Business which is either information not known
14 by actual or potential competitors of Employer or other
15 third parties not under confidentiality obligations to
16 Employer, or is otherwise proprietary information of
17 Employer or its customers or suppliers including,
18 without limitation, lists of translators, interpreters and
19 other vendors. "Proprietary Information" furthermore
20 includes information that LinguaLinx has developed,
21 acquired, organized, compiled or maintained regarding
22 its clients, former clients, and prospective clients while
23 developing and operating its business, including, but not
24 limited to, information relating to their identity,
25 location, personnel, payment habits, credit experience,
26 contract renewal and expiration dates, pricing, and other
27 terms and conditions contained in or directly related to
28 their contracts with LinguaLinx or its predecessors. All

1 persons, firms, corporations, and other business
2 enterprises that are users of services and/or products of
3 the type provided by the Business, for whom
4 LinguaLinux performs or performed such services, or to
5 whom LinguaLinux sells or sold such products, or which
6 were actively solicited by LinguaLinux for the sale of
7 such products. Employee further understands that
8 Proprietary Information does not include any of the
9 foregoing items which have become publicly and
10 widely known and made generally available through no
11 wrongful act of Employee or of others who were under
12 confidentiality obligations as to the item or items
13 involved. (emphasis added).

14 12. The Confidentiality Agreement further provides:

15 Third Party Information. Employee recognizes that
16 Employer has received and, in the future, will receive
17 confidential or proprietary information from third
18 parties subject to a duty on Employer's part to maintain
19 the confidentiality of such information and to use it only
20 for certain limited purposes. Employee agrees to hold
21 all such confidential or proprietary information in the
22 strictest confidence and not to disclose it to any person,
23 firm or corporation or to use it except as necessary in
24 carrying out Employee's work for Employer consistent
25 with Employer's agreement with such third party.
26 (emphasis added).

27 13. The Confidentiality Agreement also provides:

28 Returning Employer Documents. Employee agrees that,

1 at the time of termination of the Relationship with
2 Employer, Employee will deliver to Employer (and will
3 not keep in Employee's possession, recreate or deliver
4 to anyone else) any and all devices, records, data, notes,
5 reports, proposals, lists, correspondence, specifications,
6 drawings, blueprints, sketches, laboratory notebooks,
7 materials, flow charts, equipment, other documents or
8 property, or reproductions of any of the aforementioned
9 items developed by Employee pursuant to the
10 Relationship or otherwise belonging to Employer, its
11 successors or assigns. Employee further agrees that any
12 property situated on Employer's premises and owned by
13 Employer, including, but not limited to, disks and other
14 storage media, filing cabinets or other work areas, is
15 subject to inspection by Employer personnel at any time
16 with or without notice. In the event of the termination
17 of the Relationship, Employee agrees to sign and
18 deliver the "Termination Certification" annexed hereto
19 and made a part hereof as Exhibit A. (emphasis added).

20 14. It also provides:

21 Solicitation of Employees, Consultants, Clients and
22 Other Parties. Employee agrees that during the term of
23 the Relationship with Employer, and for a period of two
24 (2) years immediately following the termination of the
25 Relationship with Employer for any reason, whether
26 with or without cause, Employee shall not either
27 directly or indirectly solicit, induce, recruit or
28 encourage any of Employer's employees or consultants

1 to terminate their relationship with Employer, or take
2 away, hire or otherwise engage the services of such
3 employees or consultants, or attempt to solicit, induce,
4 recruit, encourage or take away, employees or
5 consultants of Employer, either for Employee or for any
6 other person or entity. Further, for a period of two (2)
7 years following termination of the Relationship with
8 Employer for any reason, with or without cause,
9 Employee shall not solicit any client of Employer or
10 licensee of Employer's services, in each case, that are
11 known to Employee, with respect to any business,
12 products or services that are competitive to the products
13 or services offered by Employer or under development
14 as of the date of termination of the Relationship with
15 Employer.

16 15. In addition to the Confidentiality Agreement (Exhibit "A"
17 hereto), Pardini received and agreed to be bound by the terms of LinguaLinx's
18 Employee Handbook. Attached hereto as Exhibit "B" is a true and correct copy of
19 the Employee Handbook.

20 16. In relevant part, the Employee Handbook, provides as follows:

21 **PROTECTING COMPANY INFORMATION**

22 Protecting our company's information is the
23 responsibility of every employee, and we all share a
24 common interest in making sure information is not
25 improperly or accidentally disclosed. Do not discuss
26 the company's confidential business with anyone who
27 does not work with us. You may be required to assign a
28 non-compete and/or a nondisclosure agreement as a

1 condition of your employment, in accordance with state
2 and federal law. (emphasis added).

3 17. In addition, the Employee Handbook provides as follows:

4 **CONFLICTS OF INTEREST/CODE OF ETHICS**

5 A company's reputation for integrity is its most
6 valuable asset and is directly related to the conduct of
7 its officers and other employees. Therefore, employees
8 must never use their position with the company, or any
9 of its clients, for private gain, to advance a personal
10 interest or to obtain favors or benefits for themselves,
11 members of their families or any other individuals,
12 corporation or business entities. (emphasis added).

13 * * *

14 Employees of the company shall conduct their personal
15 affairs such that their duties and responsibilities to the
16 company are not jeopardized and/or legal questions do
17 not arise with respect to their associations or work with
18 the company.

19 18. Pardini acknowledged receipt of the Employee Handbook, and
20 acknowledged that she read and understood it. Attached hereto as Exhibit "C" is
21 Pardini's LinguaLinx Employee Handbook acknowledgement.

22 19. In or around the first half of 2007, Pardini and LinguaLinx began
23 discussing the possibility of Pardini being relocated to California for the purpose of
24 opening a LinguaLinx office there. Pardini communicated to LinguaLinx that she
25 desired this relocation because she is a native of California. *See also* Pardini's
26 Curriculum Vitae, attached hereto as Exhibit "D."

27 20. Prior to the this time period, LinguaLinx did not have an office in
28 California, but thought its presence in California would enable it to better serve its

1 substantial—and previously developed—California client base, and to further
2 develop additional business on the West Coast.

3 21. In or around the Summer of 2007, LinguaLinx and Pardini agreed
4 that LinguaLinx would open a California office, and that Pardini would manage and
5 operate the new office.

6 22. As part of the office opening, Pardini was promoted and given the
7 title “West Coast Account Executive.” In connection with her promotion, Pardini
8 received a substantial increased salary to \$60,000 plus commission. In addition,
9 LinguaLinx leased office space in San Francisco to create an office from which
10 Pardini would be able to be stationed at the rate of \$900 per month. LinguaLinx
11 made substantial investments to equip the new San Francisco office space. Finally,
12 LinguaLinx paid substantial personal moving expenses for Pardini to relocate herself
13 to California. Pardini began working in LinguaLinx’s new San Francisco office on
14 or about June 25, 2007.

15 23. However, despite Pardini’s obligations to LinguaLinx, Pardini
16 failed to dedicate her full efforts to LinguaLinx’s California office.

17 24. Rather, in and before October 2007, Pardini, in violation of the
18 Confidentiality Agreement and the terms of the Employee Handbook, began secretly
19 planning with LCG to divert LinguaLinx customers to LCG and for Pardini to
20 eventually move to the employment of LCG.

21 25. As part of this secret plan:

22 (a) Pardini forwarded information and terms of a number of potential
23 business opportunities to LinguaLinx from her assigned LinguaLinx email account to
24 her personal Yahoo! email account for the purpose of forwarding said business
25 opportunities to LCG. Attached hereto as Exhibit “E” is a true and correct copy of
26 an email dated October 3, 2007, evidencing one such diversion of a customer and/or
27 corporate opportunity to LCG.
28

1 (b) Pardini invited and met with representatives of LCG in the offices
2 of LinguaLinx's California office for the purpose of furthering their secret plan to
3 divest from LinguaLinx their business opportunities and customer list and base and
4 to discuss the day-to-day operations and activities of LinguaLinx for the purpose of
5 duplicating LinguaLinx's business plan and model. Attached hereto as Exhibit "F"
6 is a true and correct copy of a string of emails dated October 5, 2007, through
7 October 10, 2007, evidencing the planning and occurrence of the aforesaid meeting,
8 which was, as stated by LCG representative, to "talk and scheme."

9 (c) LCG set up for Pardini a LCG email account to enable Pardini to
10 forward LinguaLinx accounts and business leads to LCG. Attached hereto as Exhibit
11 "G" is a true and correct copy of an email dated October 13, 2007, in which Pardini
12 requests LCG to set up for her an email account to forward accounts and business
13 information to LCG, and an October 14, 2007, evidencing the creation of Pardini's
14 LCG email account.

15 (d) On October 10, 2007, at 1:36:41 PM, Pardini forwarded to her
16 personal email account an electronic document entitled "contacts.doc," for the
17 purpose of utilizing the electronic documents for Defendants' benefit. The
18 contract.doc document is a confidential 44-page list of LinguaLinx's client contacts.
19 Attached hereto as Exhibit "H" is a true and correct copy of the email evidencing the
20 "contract.doc document" being emailed from Pardini to herself.

21 (e) Pardini also forwarded LinguaLinx sales leads to LCG. Attached
22 hereto as Exhibit "I" is an email dated October 14, 2007, evidencing the forwarding
23 of sales leads by Pardini to LCG.

24 (f) Pardini accessed and copied LinguaLinx's "Archived Proposals,"
25 for the purpose of secreting to LCG LinguaLinx's client base. Attached hereto as
26 Exhibit "J" is a screen shot of Pardini's computer evidencing Pardini's accessing and
27 copying the "Archived Proposals."
28

1 (g) Pardini created a ".rar archive file," a significantly large
2 exportable electronic document for the purpose of secreting to LCG LinguaLinx's
3 confidential and proprietary information. Attached hereto as Exhibit "K" is a true
4 and correct copy of a screen shot of Pardini's computer evidencing Pardini's creation
5 of the ".rar archive file."

6 (h) Pardini accessed and copied for her own use, and the use of LCG,
7 a list of LinguaLinx's California contacts.

8 (j) Other acts not yet discovered by LinguaLinx.

9 26. When the secret plan of Pardini was discovered by LinguaLinx,
10 LinguaLinx terminated Pardini on October 15, 2007.

11 27. Following her termination, Pardini began her employment with
12 LCG, in a similar capacity as her capacity with LinguaLinx.

13 28. At all times relevant, Pardini failed to disclose to LinguaLinx,
14 and otherwise continued to mislead LinguaLinx, concerning Defendants' scheme to
15 sabotage, decimate, incapacitate and divert the business of LinguaLinx, and to
16 destroy, take, remove or otherwise misappropriate the confidential and trade secret
17 customer list, sales leads, and business model information belonging to LinguaLinx,
18 and to divert this information to LCG.

19 29. With the information misappropriated by Pardini and LCG,
20 customers of LinguaLinx have been identified, targeted and solicited by LCG and
21 Pardini for the benefit of LCG, with and through the use and disclosure of
22 LinguaLinx's confidential and trade secret records and data and/or the information
23 contained therein.

24 30. LinguaLinx spends a significant amount of time and resources in
25 developing and maintaining information regarding its accounts, clients, and potential
26 clients.

1 31. The customer information compiled in LinguaLinx's customer
2 database is valuable information that gives LinguaLinx a significant advantage in the
3 marketplace.

4 32. LinguaLinx believes, and therefore avers, that Pardini and LCG
5 conspired to: (a) target, solicit, and divert the actual and prospective customers of
6 LinguaLinx from LinguaLinx to LCG; (b) use, rely upon, take advantage of, and
7 otherwise misappropriate the confidential customer and marketing information of
8 LinguaLinx; and (c) disrupt LinguaLinx's San Francisco operations.

9 33. In addition to the above, Pardini has misappropriated and/or
10 converted for improper use, the property of LinguaLinx, including a promotional
11 display utilized by LinguaLinx in marketing to perspective clients; and a LinguaLinx
12 cellular phone.

13 14 V. INJUNCTIVE RELIEF

15 34. The averments of Paragraphs 1 through 32 are incorporated by
16 reference herein with the same force and effect as if set forth in full below.

17 35. By virtue of the foregoing, LinguaLinx has demonstrated a
18 likelihood of success on the merits, and that a balancing of the equities favors the
19 issuance of an injunction against Defendants.

20 36. Unless Defendants are temporarily and preliminarily enjoined
21 from the foregoing conduct, LinguaLinx will be irreparably harmed by:

- 22 (a) Disclosure of trade secrets, customer lists, business
23 methods and strategies, and other confidential information
24 which are solely the property of LinguaLinx and its clients;
25 and
26
27
28

1 (b) Present economic loss, which is unascertainable at this
2 time, and future economic loss, which is presently
3 incalculable.

4 37. LinguaLinux has no adequate remedy at law.

5 38. WHEREFORE, LinguaLinux respectfully requests that:

6 (a) For purposes of protecting LinguaLinux's confidentiality
7 and trade secret rights, Pardini's contractual non-use or
8 disclosure obligations, the duty of loyalty of Plaintiff's
9 former employees, and to neutralize the acts of unfair
10 competition in which Defendants have engaged, that the
11 Court Order that each of the named Defendants be
12 immediately enjoined and restrained, both directly and
13 indirectly, and whether acting alone or in concert with
14 others, including with any officer, agent, employee or
15 representative of Defendants, from the date of a hearing
16 and thereafter until further Order of the Court, from: (i)
17 soliciting or transacting business with any individual,
18 company or entity which was identified on the information
19 derived or received through the Defendants' illegal conduct
20 (hereinafter, the "LinguaLinux Customers"); (ii) soliciting,
21 attempting to solicit, conducting, accepting or engaging in
22 business with LinguaLinux Customers; and (iii) using,
23 disclosing, or transmitting for any purpose, including for
24 the purpose of soliciting, preparing to solicit or transacting
25 business with any of the LinguaLinux Customers.

26 (b) The Defendants be ordered to return to LinguaLinux all its
27 trade secrets, confidential business information, and
28 promotional display.

COUNT I - BREACH OF CONTRACT
(AGAINST PARDINI)

39. The allegations of Paragraphs 1 through 38 are incorporated herein by reference with the same force and effect as if set forth in full below.

40. Pardini has violated and/or is preparing to violate the terms of the Confidentiality Agreement and Employee Handbook with LinguaLinx.

41. As a consequence of the foregoing, LinguaLinx has suffered and will continue to suffer irreparable harm and loss.

COUNT II -- MISAPPROPRIATION OF TRADE SECRETS UNDER
CALIFORNIA UNIFORM TRADE SECRETS ACT, CAL. CIV. CODE
§§ 3426 ET SEQ.

(AGAINST ALL DEFENDANTS)

42. The allegations of Paragraphs 1 through 41 are incorporated herein by reference with the same force and effect as if set forth in full below.

43. As described more particularly in the foregoing, the books and records of LinguaLinx, the confidential customer list and account information contained therein, including the identity of LinguaLinx customers, their names and addresses, business and financial dealings, their prior transactions, and other confidential and proprietary information, are trade secrets subject to protection under the California Uniform Trade Secrets Act, Cal. Civ. Code § 3426 et seq., and relevant precedents and standards established thereunder.

44. This is a compilation of information that derives independent economic value from not being accessible—through improper means—to competitors such as the Defendants, who can profit from its explicit and/or implicit and/or intentional and/or inevitable use or disclosure.

45. LinguaLinx has taken reasonable and adequate measures under the circumstances to maintain the secrecy of this information.

1 46. The foregoing conduct of Defendants constitutes an actual,
2 planned and/or inevitable misappropriation and misuse of LinguaLinx's confidential,
3 trade secret information.

4 47. As a consequence of the foregoing, LinguaLinx has suffered and
5 will continue to suffer irreparable harm and loss.

6 **COUNT III -- BREACH OF DUTY OF LOYALTY AND FIDUCIARY DUTY**
7 **(AGAINST PARDINI)**

8 48. The allegations of Paragraphs 1 through 47 are incorporated
9 herein by reference with the same force and effect as if set forth in full below.

10 49. Upon information and belief, Pardini has violated the common
11 law duty of loyalty and fiduciary duty arising under her employment relationship
12 with LinguaLinx, in that, while employed by LinguaLinx, she schemed with and on
13 behalf of a LinguaLinx competitor to misappropriate LinguaLinx's trade secrets,
14 confidential business information and the confidential information contained in
15 LinguaLinx's customer and business records, and to otherwise act in a manner
16 harmful to the employer whose best interests she was under a duty to promote.

17 50. As a consequence of the foregoing, LinguaLinx has suffered and
18 will continue to suffer irreparable harm and loss.

19 **COUNT IV -- UNFAIR COMPETITION**
20 **(AGAINST ALL DEFENDANTS)**

21 51. The allegations of Paragraphs 1 through 50 are incorporated
22 herein by reference with the same force and effect as if set forth in full below.

23 52. Defendants, in concert with one another, and in violation of Cal.
24 Bus. Code § 17200 et. seq., have improperly conspired with and/or assisted one
25 another in improperly obtaining for their own use LinguaLinx's customer list and
26 account records, and have committed other acts that Defendants knew or intended or
27 should have known would cause injury and harm to LinguaLinx.

1 53. Defendants, both alone and/or in concert with one another, are
2 using confidential and trade secret information concerning LinguaLinx's customers
3 and business information to destroy, reduce or damage the capacity and business of
4 LinguaLinx's California office.

5 54. Defendants conducted and orchestrated their acts in secrecy, and
6 in violation of their obligations to LinguaLinx, to protect and otherwise act in the
7 best interests of LinguaLinx and in further violation of their employee and/or
8 management duties of loyalty.

9 55. Defendants' actions and conduct further violate their contractual
10 and statutory duties to maintain the confidential and/or trade secret nature of
11 information concerning LinguaLinx's customers, business, and employees, and not
12 to use or disclose such information to or for the benefit of any competitor of
13 LinguaLinx or other third party including LCG.

14 56. By virtue of the acts and omissions of Defendants, and each of
15 them, the Defendants have engaged in unfair competition within the meaning of
16 California's Business and Professions Code Section 17200, thereby entitling Plaintiff
17 to injunctive and other relief and damages as provided by Business and Professions
18 Code Section 17203.

19 57. Defendants' use, disclosure, and/or misappropriation of
20 LinguaLinx's confidential and trade secret information, and Defendants' deliberate
21 and intentional violation of their contractual obligations to LinguaLinx, and/or
22 Defendants' solicitations and methods of solicitation of LinguaLinx's clientele, has
23 resulted in, comprise and/or will inevitably result in their commission of acts of
24 unfair competition.

25 58. Defendants' acts of actual and/or threatened unfair competition
26 are without justification, and are being committed through improper means, and have
27 proximately caused or will inevitably cause injury to LinguaLinx, specifically
28

1 including immediate and irreparable harm for which there is no adequate remedy at
2 law.

3 59. As a consequence of the foregoing, LinguaLinx has suffered and
4 will continue to suffer irreparable harm and loss.

5 **COUNT V -- INTERFERENCE WITH ACTUAL AND PROSPECTIVE**
6 **BUSINESS RELATIONS**
7 **(AGAINST ALL DEFENDANTS)**

8 60. The allegations of Paragraphs 1 through 59 are incorporated
9 herein by reference with the same force and effect as if set forth in full below.

10 61. Defendants have intentionally interfered with LinguaLinx's
11 actual business relationships and/or those business relationships where LinguaLinx
12 had a reasonable probability of entering into, without justification, and by the
13 utilization of improper means, including, *inter alia*, by using LinguaLinx's
14 confidential customer list and account information, by violating or encouraging
15 violation of their confidentiality and non-disclosure agreements, by otherwise using,
16 affirmatively and inevitably, the confidential and trade secret information concerning
17 LinguaLinx's customers to obtain an improper competitive advantage, and by
18 breaching their employee duties of loyalty to LinguaLinx.

19 62. Defendants are interfering with the actual and prospective
20 contractual relations between LinguaLinx and its customers, and Defendants have
21 solicited and diverted the business of LinguaLinx customers, and are planning to
22 solicit LinguaLinx customers, with and through the use of misappropriated records,
23 documents, computer files and/or information, and are otherwise marketing
24 themselves, implicitly or explicitly, to LinguaLinx customers.

25 63. As a consequence of the foregoing, LinguaLinx has suffered and
26 will continue to suffer significant and irreparable harm and loss.

COUNT VI -- INTERFERENCE WITH CONTRACTUAL RELATIONS
(AGAINST LCG)

64. The allegations of Paragraphs 1 through 63 are incorporated herein by reference with the same force and effect as if set forth in full below.

65. LCG has intentionally sought to interfere with the performance of the contractual obligations owed by Pardini to LinguaLinx.

66. At all material times, LCG was aware that LinguaLinx had contractual relationships with Pardini, by which Pardini was to protect LinguaLinx's confidential and/or trade secret property and preserved and protected for LinguaLinx the probability of future economic benefit to LinguaLinx.

67. With full knowledge of such contractual relationships and the material terms of those relationships, Defendants intentionally solicited, directed, assisted, combined, and encouraged Pardini to breach her employment agreements as set forth above.

68. LinguaLinx alleges, on information and belief, that both before and after Pardini's termination of employment with LinguaLinx, Pardini proceeded, at the request of LCG, to breach her employee duties of loyalty, her duty to act in LinguaLinx's best interests, to protect LinguaLinx's trade secret and confidentiality obligations and interests, and to protect LinguaLinx against unfair competition and imminent harm.

69. As a proximate result of the wrongful and unjustified acts of LCG, LinguaLinx has sustained and will continue to sustain damages. The precise nature and amount of such accrued and continuing damages are not known to LinguaLinx and cannot be ascertained by it at the present time, but such damages are, on information and belief, substantial and in excess of the jurisdictional minimum of this Court and are otherwise irreparable and incalculable.

70. In committing the acts alleged and described herein, LCG is guilty of oppression, fraud, and malice in that it intentionally and wrongfully

1 interfered with the contractual, trade secret, duty of loyalty, fiduciary duties and
2 other obligations of LinguaLinux's employees to LinguaLinux. LinguaLinux is
3 therefore entitled to payment of damages in a sufficient sum to punish LCG, to set an
4 example, and to deter such conduct in the future.

5 **COUNT VII -- NEGLIGENT INTERFERENCE WITH CONTRACTUAL**
6 **RELATIONS**
7 **(AGAINST LCG)**

8 71. Plaintiff realleges and incorporates by reference paragraphs 1
9 through 70 of this Complaint as set forth above.

10 72. At all material times, LCG was aware that LinguaLinux had
11 contractual relationships with Pardini, each of which protected its confidential and/or
12 trade secret property, and preserved and protected for LinguaLinux a probability of
13 future economic benefit to LinguaLinux.

14 73. With full knowledge of such contractual relationships and the
15 material terms of the relationships, LCG negligently solicited, directed, assisted and
16 encouraged Pardini to breach her agreements as set forth above.

17 74. LCG's actions have been and continue to be taken deliberately,
18 and without privilege or justification.

19 75. As a consequence of the foregoing, LinguaLinux has suffered and
20 will continue to suffer significant and irreparable harm and loss.

21 **COUNT VIII -- CONSPIRACY TO MISAPPROPRIATE TRADE**
22 **SECRETS, BREACH THE DUTY OF LOYALTY AND FIDUCIARY DUTY,**
23 **UNFAIRLY COMPETE, INTERFERE WITH LINGUALINUX'S ACTUAL**
24 **AND PROSPECTIVE BUSINESS RELATIONS, INTERFERE WITH**
25 **LINGUALINUX'S CONTRACTUAL RELATIONS**
26 **(AGAINST ALL DEFENDANTS)**

27 76. The allegations of Paragraphs 1 through 75 are incorporated herein
28 by reference with the same force and effect as if set forth in full below.

1 77. Defendants, and each of them, without the knowledge and
2 consent of LinguaLinx, conspired to unfairly and unlawfully compete with
3 LinguaLinx, and to interfere intentionally with LinguaLinx's advantageous business
4 relationships and contractual relationships. In the furtherance of said conspiracy,
5 Defendants, and each of them, engaged in the conduct alleged herein.

6 78. As a direct and proximate result of the aforementioned unlawful
7 agreement and conspiracy, and Defendants' acts and omissions alleged herein,
8 LinguaLinx has sustained and will continue to sustain damages. The precise nature
9 and amount of such accrued and continuing damages is not known to LinguaLinx,
10 and cannot be ascertained by it at the present time, but such damages are, on
11 information and belief, substantial, and in excess of the jurisdictional minimum of
12 this Court, and are otherwise irreparable and incalculable.

13 79. In connection with the matters and things herein alleged,
14 Defendants, and each of them, are guilty of oppression, fraud, and malice, and such
15 oppression, fraud, and malice has been directed, authorized, and ratified by each of
16 the Defendants herein. LinguaLinx is therefore entitled to punitive damages in an
17 amount appropriate to punish and make an example of Defendants and each of them.

18 80. Defendants have willfully and maliciously conspired with one
19 another and/or other third persons or parties as yet unknown to misappropriate
20 LinguaLinx's trade secrets, to unfairly compete with LinguaLinx, to convert
21 LinguaLinx's confidential business information, to induce Pardini to fail in her
22 obligation to act in LinguaLinx's best interests during the period before her
23 termination, to breach her contractual confidentiality and non-disclosure obligations
24 to LinguaLinx, and to interfere with LinguaLinx's actual and prospective business
25 relationships with its actual and prospective customers.

26 81. The above referenced actions have been undertaken with the
27 intent to injure LinguaLinx in its person and property and in a way not competent for
28 one alone.

1 82. Defendants' actions have been taken deliberately, and without
2 privilege or justification.

3 83. As a direct and proximate consequence of the foregoing,
4 LinguaLinux has suffered and will continue to suffer injury, irreparable harm and loss.

5 **COUNT IX -- CONVERSION**

6 **(AGAINST PARDINI)**

7 84. The allegations of Paragraphs 1 through 83 are incorporated herein
8 by reference with the same force and effect as if set forth in full below.

9 85. Pardini misappropriated LinguaLinux's promotional display.

10 86. The promotional display was purchased by LinguaLinux at a cost
11 of \$1,674.00.

12 87. In addition, Pardini misappropriated LinguaLinux's cellular
13 telephone and related equipment.

14 88. The value of the cellular telephone and related equipment is
15 \$410.35.

16 89. The return of the promotional display, cellular telephone, and
17 related equipment was demanded but, despite this demand, Pardini has converted the
18 promotional display, cellular telephone, and related equipment for her own use.

19 **WHEREFORE**, by virtue of the foregoing acts complained of in Counts I, II,
20 III, IV, V, VI, VII, VIII and IX, LinguaLinux demands judgment in its favor and
21 against Defendants for temporary, preliminary and permanent injunctive relief,
22 together with damages for all violations and breaches of LinguaLinux's rights,
23 exemplary and/or punitive damages based thereon, disgorgement, payment of
24 LinguaLinux's attorneys fees, and all such other and further relief and remedies as are

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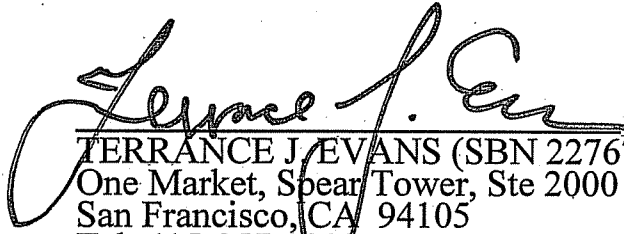
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1 justified by the evidence presented at the hearings and ultimate trial in this
2 proceeding.

3
4 Respectfully submitted,

5 DUANE MORRIS LLP

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7 Dated: November 1, 2007

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19 Attorneys for Plaintiff

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VERIFICATION OF DAVID SMITH

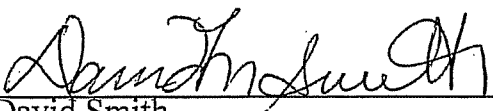
The undersigned, being duly sworn, hereby deposes and says:

1. That I am over the age of eighteen and I believe in the obligations of an oath;

2. That I am the owner LinguaLinux Language Solutions, Inc.;

3. That my knowledge and representation of the facts set forth in the foregoing Verified Complaint in the above-entitled action are true and accurate to the best of my knowledge, information and belief based upon my personal knowledge or, in addition to or instead of my personal knowledge, based upon the records and reports received by me in and from LinguaLinux records maintained in the ordinary course of business and reports given to me by LinguaLinux employees in the ordinary course of their duties and mine; and

4. That I declare under penalty of perjury under the laws of the State of California and the laws of the United States of America that the foregoing is true and correct and, further, that I submit this Verified Complaint under oath and subject to the penalties applicable to sworn and unsworn declarations to authorities.


David Smith